

2011

**TOWN OF KEACHI, LOUISIANA.**

**Financial Statements  
December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/13/11

**Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana**

**TOWN OF KEACHI, LOUISIANA**

December 31, 2010

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Honorable Travis Whitfield, Mayor  
and Members of the Town Council  
Town of Keachi  
Keachi, Louisiana

I have reviewed the accompanying financial statements of Town of Keachi, as of and for the year ended December 31, 2010. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated June 28, 2011 on the results of my agreed-upon procedures.

Town of Keachi has not presented management's discussion and analysis that the Governmental Auditing Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

The budgetary comparison information on page 13 is not a part of the basic financial statements but is *supplementary information required by the Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit of review. Accordingly, I do not express an opinion or any other form of assurance on the supplemental information.

*Marsha O. Millican*

Certified Public Accountant  
June 28, 2011

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**TOWN OF KEACHI, LOUISIANA**

**Statement of Net Assets**

**December 31, 2010**

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<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 321,568
Investments	<u>21,085</u>
Total Current Assets	<u>342,653</u>
<b>Noncurrent Assets</b>	
Restricted cash	178,738
Capital Assets, net	<u>150,324</u>
Total Noncurrent Assets	<u>329,062</u>
Total Assets	<u><u>\$ 671,715</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities</b>	
Accounts payable and accruals	<u>\$ -</u>
Total Liabilities	<u>-</u>
<b>Fund Balances</b>	
Invested in Capital Assets, net of related debt	150,324
Reserved for Construction	178,738
Unreserved	<u>342,653</u>
Total Net Assets	<u><u>\$ 671,715</u></u>

See accompanying notes and accountant's report.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 8

Statement of Activities  
For the Year Ended December 31, 2009

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Operating Grants</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>	
<b>Governmental Activities:</b>					
General Government	\$ 21,895	\$ -	\$ -	\$	(21,895)
Interest on Long-Term Debt	-	-	-		-
Total Governmental Activities	\$ 21,895	\$ -	\$ -	\$	(21,895)
<b>General Revenues:</b>					
Occupational Licenses				\$	8,159
Intergovernmental					150,000
Franchise Taxes					9,189
Sales Taxes					114,157
Land Lease					179,792
Miscellaneous					700
Total General Revenues					461,997
Change in Net Assets					440,102
Net Assets, beginning of year					231,613
Net Assets, end of year				\$	671,715

**TOWN OF KEACHI, LOUISIANA**

Balance Sheet  
Governmental Fund  
December 31, 2010

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<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 321,568
Investments	<u>21,085</u>
Total Current Assets	342,653
<b>OTHER ASSETS</b>	
Restricted Cash	<u>178,738</u>
Total Assets	<u>\$ 521,391</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accruals	\$ -
Fund Balance	
Reserved for construction	178,738
Unreserved	<u>342,653</u>
Total Fund Balance	<u>521,391</u>
Total Liabilities and Fund Balances	<u>\$ 521,391</u>

See accompanying notes and accountant's report.

**TOWN OF KEACHI, LOUISIANA**

**Reconciliation of Fund Balance on the Balance Sheet  
for Governmental Funds to Net Assets of  
Governmental Activities on the Statement of Net Assets  
Year Ended December 31,2010**

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Fund Balances - Total Governmental Funds	\$ 521,391
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Amounts reported for governmental activities in the statement of net assets  
are different because:

*Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds:*

Add: Capital Assets	163,574
Deduct: Accumulated Depreciation	<u>(13,250)</u>

Net Assets of Governmental Activities	<u>\$ 671,715</u>
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See accompanying notes and accountant's report.

See accountant's compilation report and notes to financial statements.

**TOWN OF KEACHI**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

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<b>Revenues:</b>	
Occupational Licenses	\$ 8,159
Intergovernmental revenues:	
DeSoto Parish Police Jury	150,000
Franchise Taxes	9,189
Sales Taxes	114,157
Land Lease	179,792
Miscellaneous	<u>700</u>
Total Revenues	<u>461,997</u>
 <b>Expenditures:</b>	
Current:	
General Government	<u>172,219</u>
Total Expenditures	<u>172,219</u>
 Net changes in fund balance	289,778
 Fund Balances, Beginning of Year	<u>231,613</u>
 Fund Balances, End of Year	<u><u>\$ 521,391</u></u>

See accompanying notes and accountant's report.



**TOWN OF KEACH, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Total Fund Balance for Governmental Funds	\$ 521,391
Total Net Assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>150,324</u>
Total Net Assets of Governmental Activities	<u>\$ 671,715</u>

See accompanying notes and accountant's report.

TOWN OF KEACHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

The Town of Keachi was incorporated in 1858 and was reincorporated under Legislative Act 109 of 1873 and is not subject to the Lawrason Act. The Village operates under a Mayor-Town Council form of government. The Village's major operations include public works, and general administrative services.

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.        Basis of Accounting**

The accompanying financial statements of the Town of Keachi have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

**B.        Reporting Entity**

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village of Athens is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Keachi may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

**C.        Government - Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Taxes and other items are reported instead as general revenues.

**D.        Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

TOWN OF KEACHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2010

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town of Keachi reports the following governmental funds:

**Governmental Funds**

Governmental funds account for all or most of the Town of Keachi's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets.

**General Fund** - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**E.      Budgetary Accounting**

Formal budgetary accounting is employed as a management control. The Town of Keachi prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

TOWN OF KEACHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2010

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.        Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Town of Keachi, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**G.        Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Town of Keachi had no receivables at December 31, 2010.

**H.        Capital Assets**

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

TOWN OF KEACHI, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2010

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Compensated Absences**

Town of Keachi has no full-time employees. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

**J. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Town of Keachi may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, all accounts were fully secured by FDIC insurance.

**NOTE 3 CAPITAL ASSETS**

A summary of the Town of Keachi's capital assets at December 31, 2010 follows:

	Balance Jan. 1, 2010	Additions	Retirements	Balance Dec. 31, 2010
Government Activities				
Land	\$ -	\$ 7,500	\$ -	\$ 7,500
Construction in Progress	-	142,824	-	142,824
Capital Assets, being depreciated				
Buildings and other improvements	13,250	-	(13,250)	-
Less accumulated depreciation	( 13,250)	-	(13,250)	-
Total Capital Assets, net	<u>\$ -</u>	<u>\$150,324</u>	<u>\$ -</u>	<u>\$ 150,324</u>

**STATEMENT OF NET ASSETS**

Town of Golden Meadow, Louisiana

December 31, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,440,232	\$ 277,259	\$ 2,717,491
Investments	340,000	100,000	440,000
Receivables (net)	111,026	64,506	175,532
Due from other governments	88,672	-	88,672
Prepaid insurance	52,668	-	52,668
Internal balances	3,791	(3,791)	-
Restricted assets:			
Cash and cash equivalents	-	37,990	37,990
Capital assets:			
Non-depreciable	91,100	2,500	93,600
Depreciable, net:	4,152,424	1,928,780	6,081,204
<b>Total assets</b>	<b>7,279,913</b>	<b>2,407,244</b>	<b>9,687,157</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	65,118	43,141	108,259
Unearned revenue	194,673	-	194,673
Liabilities payable from restricted assets	-	37,990	37,990
Non-current liabilities:			
Due within one year	27,351	-	27,351
Due in more than one year	326,095	14,200	340,295
<b>Total liabilities</b>	<b>613,237</b>	<b>95,331</b>	<b>708,568</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,942,746	1,931,280	5,874,026
Restricted for:			
Streets and highways	217,042	-	217,042
Drainage and levee	150,850	-	150,850
Debt Service	344	-	344
Capital Projects	36,417	-	36,417
Unrestricted	2,319,277	380,633	2,699,910
<b>Total net assets</b>	<b>\$ 6,666,676</b>	<b>\$ 2,311,913</b>	<b>\$ 8,978,589</b>

See notes to financial statements.

**TOWN OF KEACHI, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**GENERAL FUND**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Taxes, Licenses, and Permits	\$ 64,600	\$ 64,600	\$ 131,505	\$ 66,905
Intergovernmental	-	-	150,000	150,000
Land Lease	-	-	179,792	179,792
Miscellaneous	<u>1,100</u>	<u>1,100</u>	<u>700</u>	<u>(400)</u>
Total Revenues	<u>65,700</u>	<u>65,700</u>	<u>461,997</u>	<u>396,297</u>
Expenditures				
General Government	<u>132,700</u>	<u>134,500</u>	<u>172,219</u>	<u>(37,719)</u>
Total Expenditures	<u>132,700</u>	<u>134,500</u>	<u>172,219</u>	<u>(37,719)</u>
Net Change in Fund Balances	(67,000)	(68,800)	289,778	358,578
Fund Balances, Beginning of year	<u>231,613</u>	<u>231,613</u>	<u>231,613</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 164,613</u>	<u>\$ 162,813</u>	<u>\$ 521,391</u>	<u>\$ 358,578</u>

**TOWN OF KEACHI**

**Schedule of Compensation Paid -  
Mayor and Town Council  
For the Year Ended December 31, 2010**

Honorable Travis Whitfield, Mayor	\$ 300
Jeanette Avila	325
Chad Burford	300
Lorice Pipkin	325
Audrey Rachal	250
Angela Toney	<u>325</u>
Total	<u>\$ 1,825</u>





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Honorable Travis Whitfield, Mayor  
and Members of the Town Council  
Town of Keachi  
Keachi, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Town of Keachi, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Town's compliance with certain laws and regulations during the year ended December 31, 2010, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-2296.

The District made expenditures of \$150,324 for public works. I examined documentation which indicated that all of these expenditures had been properly advertised and accepted in accordance with the provisions of R.S. 38:221-2296.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each council member as defined by LSA-RS 42:1101-1124, and a list of outside business interests of all board members and employees, as well as their immediate families.

*Management provided the required list including the noted information.*

3. Obtain from management a listing of all employees paid during the period under examination.

*Management provided the requested list.*

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).*

### Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided a copy of the original and the amended budgets.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of a meeting held on December 1, 2009.  
I traced the adoption of the amended budget to the minutes of a meeting held on December 2, 2010.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Actual expenditures exceeded budgeted expenditures by more than 5%.

### Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for six selected disbursements and found that payments were for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

The six selected disbursements were traced to the Town's minute book where they were approved by the Town Council.

### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12.

The Town is only required to post a notice of each meeting and the accompanying agenda on the door of the Town's office building. Management has informed me that these documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I examined payroll records for the year and noted no instances which would indicate payment to employees which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Keachi, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Marsha D. Millican*

Certified Public Accountant  
June 28, 2011

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

June 27, 2011

Marsha O. Millican, CPA  
810 Wilkinson  
Shreveport, Louisiana 71104  
\_\_\_\_\_  
(Auditors)

In connection with your review of our financial statements as of December 31, 2010, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 27, 2011.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [ x ] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [ X ] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [ X ] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [ ] No [X ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [ X ] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

#### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

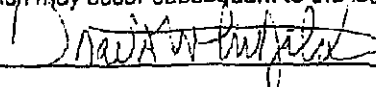
#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 Mayor Date 6/27/2011

**TOWN OF KEACHI, LOUISIANA**

**Schedule of Findings**

For the Year Ended December 31, 2010

Finding # 2010 - 1

Condition:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to space and economic limitations.

Recommendation:

No action is recommended.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding #2010-2

Condition:

The Town is not in compliance with the State Budget Law. Although the budget was amended during the year, actual expenditures exceeded budgeted amounts by more than 5%.

Cause:

Oversight.

Recommendation:

I recommend the Town comply with State law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will comply with the State Budget law in the future.